

Vinson & Elkins
ATTORNEYS AT LAW

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VINSON & ELKINS L.L.P.
THE WILLARD OFFICE BUILDING
1455 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20004-1008
TELEPHONE (202) 639-6500
FAX (202) 639-6604
www.velaw.com

Robert A. Mazer
Direct Dial 202-639-6755
Direct Fax 202-639-6604
rmazer@velaw.com

December 3, 2002

RECEIVED

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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: **EXPARTE**
Constellation Communications Holdings, Inc.
Applications for Transfer of Control and Minor Modification of License
(File Nos. SAT-T/C-20020718-001 14 and SAT-MOD-20020719-00103 1)
1B Docket No. 01-185; ET Docket No. 95-18

Dear Ms. Dortch:

Constellation Communications Holdings, Inc. ("Constellation"), by its attorneys, hereby notifies the Commission pursuant to Section 1.1206 of the Commission's rules, of a meeting held on December 2, 2002 with Karl Kensinger and William Bell of the International Bureau. Constellation was represented by C.J. Waylan, its CEO, and the undersigned.

During this meeting Constellation reviewed the public policy issues and legal precedent raised in the above-captioned proceedings. Specifically, it reviewed the evolution of the financial markets and their current view of capital intensive projects such as mobile satellite service systems. Constellation explained that in light of the current nature of the capital markets, it was extremely important that the FCC continue to allow its licensees to make decisions on how to organize their businesses. The Constellation and ICO arrangement was a business decision that should be encouraged by the FCC. Constellation then reviewed the history of the Commission's precedent on satellite platform sharing arrangements. Specifically, it was noted that Commission precedent on platform sharing from the original Docket 16495 proceedings through the recent VITA cases all support and encourage such arrangements. Milestones as they apply to platform sharing was then discussed. Constellation explained that a mechanical application of the construction milestones would not readily answer whether a particular licensee was moving forward so that service could be promptly provided to the public. It was reiterated that Constellation had been diligently proceeding with its system implementation but that the capital climate and related business considerations pushed Constellation toward finding capital expense and administrative efficiencies. This was the reason for the arrangement with ICO. The principle public policy goal here was to develop a viable MSS system that could provide service

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to the public as quickly as possible. The last issue discussed was trafficking of licenses. It was noted that the Commission **has** never denied a transfer of control application of a satellite license on trafficking grounds. Furthermore, the Constellation/ICO arrangement could not possibly be trafficking because Constellation was not profiting from this transaction. If the Commission were to deny this application on trafficking grounds, it would have to develop a new definition of trafficking.

An original and one copy of this notice are being submitted to the Secretary's office. A copy of this letter will be provided *to* Messrs. Kensinger and Bell.

Any questions regarding this matter should be directed to the undersigned

Respectfully submitted,

Robert **A.** Mazer
Counsel for Constellation Communications
Holdings, Inc.

cc: Karl Kensinger
William Bell

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